

Minutes of the Finance Committee

Wednesday, June 21, 2006

Chair Haukohl called the meeting to order at 8:45 a.m.

Present: Supervisors Pat Haukohl (Chair), Bill Kramer, Pamela Meyer, Ted Rolfs, and Rodell Singert. Genia Bruce arrived at 10:28 a.m. **Absent:** Don Broesch.

Also Present: Legislative Policy Advisor Mark Mader, Legislative Policy Advisor Dave Krahn, Principal Internal Auditor Jackie Siewert, Administration Director Norm Cummings, Accounting Services Manager Larry Dahl, Budget Manager Keith Swartz, Employment Services Manager Sue Zastrow, Emergency Preparedness Director Richard Tuma, Waukesha Metro Transit Director Bob Johnson, Waukesha Metro Transit Planning & Administration Director Andrew Johnson, Public Works Director Rich Bolte, Budget Specialist Linda Witkowski, Deputy Inspector Steve Marks, and Sheriff's Business Manager Tom Koth. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of 5-31-06

MOTION: Kramer moved, second by Rolfs to approve the minutes of May 31st. Motion carried 5-0.

Schedule Next Meeting Dates

Haukohl said the next meeting is scheduled for July 19th and it could go into the afternoon. Also, the October 19th Finance Committee meeting was changed to October 20th.

Chair's Executive Committee Report of 6-5 & 6-19-06

Haukohl advised of the following items discussed at the last two Executive Committee meetings.

- Heard a presentation on the Act 150 Library report and approved Ordinance 161-O-014 entitled "Act 150 Library Plan Ordinance 2006."
- Heard an overview of Community Development Block Grant programs and objectives. Community Development Coordinator Lewinski said he expects a major cut in federal grant dollars to Waukesha County, perhaps as much as \$600,000 in 2007.
- The Public Works Committee heard a report on the East/West runway rehab at the Airport. Changes are being made so it meets federal safety zone standards. Said changes will also extend the life of the runway to 2025.
- Reviewed the internal audit schedule. The audits on procurement card usage and Information Systems network operations have been moved up.
- Heard a status update on capital projects.

State Legislative Update

Krahn distributed copies of his updated chart on state legislation. He explained those bills that have been signed into law – some good for County government and others not so good – as outlined in his handout.

Approve Child Support Change Fund

Per Dahl's request, this item was pulled from the agenda.

Review End User Cost Allocation Plan Report

Dahl and Cummings were present to discuss this issue. Dahl distributed copies of "Waukesha County End User Technology Fund Review" which included information on fund objectives, personal computers supported, history, total cost of ownership (TCO) charges, levy impact cap, and current issues. Dahl said what they're basically trying to accomplish with this plan is to stabilize departmental budgets. Ultimately, this will resolve problems with the traditional capital planning model for shorter-lived and rapidly evolving assets. The plan allows staff to identify the cost of technology ownership, allowing users to make informed decisions. It provides a planning framework by identifying all costs related to maintaining a basic technology infrastructure. It also provides a rational basis for allocating costs to the users who benefit from them. It allows for centralized technology change management and standard-setting.

In 1991 there were a total of 73 personal computers (desk and laptop) within County government. Currently, there are 1,416. Cummings said prior to that, many employees had dumb-terminals. Apparent in his department, and likely in others, the addition of personal computers has allowed them to do more work with less staff.

Included in the 2006 adopted budget (excluding office hardware) is \$723,786 for County-wide PC costs; \$1,613,961 for infrastructure costs; and \$837,180 for PC support costs. There are eight TCO charge categories. They range from "orphan" workstations receiving no support to seven categories where support varies based on their situation. In addition to the TCO charge subsidy, annual increases in hardware and TCO charges in excess of 3% are offset by providing most departments with additional levy base. A total of \$158,291 was provided in 2006 and a total of \$1.5 million has been provided since its inception in 2001.

2007 Budget Assumptions

Cummings and Swartz were present to discuss their handouts outlining the County Executive's budget kick-off meeting which included information on major budget drivers, levy targets per department, budget format changes, and 2007 key dates. Major budget drivers include personnel cost-to-continue, energy costs, Association of Public Safety Communications Officials (APCO) study impacts, and federal and state revenue impacts. Cummings said the largest portion of the new levy is going to the Justice and Public Safety area (\$946,000) and the largest levy increase is going to the Sheriff's Department (\$625,000).

Bruce arrived at 10:28 a.m.

The County will see a reduction of \$250,000 in federal revenues in the Health & Human Services Department. Total new tax levy in this area for 2007 is \$603,000. They are also anticipating a large decrease in child support revenues. A total of \$55,000 in new tax levy will be budgeted for the Child Support Division; \$204,000 for the Public Works area; \$4,000 for the Parks, Environment, Education & Land Use area; and a decrease of \$153,000 in the General Administration area.

Ordinance 161-O-024: Abolish One Regular Full-Time Position Of Programs And Projects Analyst And Create One Regular Full-Time Position Of Operations And Training Manager In The Department Of Emergency Preparedness

Tuma, Zastrow, and Cummings were present to discuss this issue as outlined in the ordinance. Zastrow said a key recommendation of the APCO study is to create a position to oversee the day-to-day operations of the Communications Center and to prepare and coordinate the training programs at the center. This position will free some of Director Tuma's time for "bigger picture" items. A Programs and Projects Analyst position is vacant and will be abolished.

Cummings said because this position is so important, he is willing to free his staff's time to do more budget assistance than what they typically provide to departments so Tuma can get the help he needs with the budget. This will add to the stability of the center's budget. In addition, an enhanced emphasis on training should lead to less employee turnover, an issue of concern cited in the report. The 2007 cost of the position is estimated to be \$116,000 including salary and benefits. Cummings said if the position is filled this year, grant funds will cover the cost for 2006.

MOTION: Kramer moved, second by Bruce to approve ordinance 161-O-024. Motion carried 6-0.

Annual Report on Transit Routes and Contract with City of Waukesha

Bolte, A. Johnson, and B. Johnson were present to discuss this issue as outlined in their handouts which included information on total rides, operating expenses, and operating revenues per transit route. Bolte explained that the County contracts with the City of Waukesha to administer the County's bus service. The County's control is at the budgetary level. We basically tell them how much money we want to spend and roughly what kinds of services we want. Copies of the countywide bus route map were distributed for informational purposes. B. Johnson said the map has been very well received.

B. Johnson said the overall performance of the transit system this year has been very positive although gas price increases have had a definite impact on ridership. Ridership is up 7.4% and 13.4% for Routes 901 (Waukesha-Milwaukee) and 904 (Oconomowoc-Milwaukee), respectively, and operating revenues are up even higher. Route 905 (Oconomowoc-Milwaukee) had a 7.5% increase and ridership on Route 906 (Mukwonago-Milwaukee) is up 19%. However, the Curative Care Network Paratransit Route 901 (Waukesha-Milwaukee) is down in ridership. B. Johnson noted this isn't all bad because it's a very expensive service to operate. Ridership is also down for Route 9 (Menomonee Falls/Butler) 6.8%. Route 10 (Brookfield-Milwaukee) is up 39.3% so far this year, Route 79 (Menomonee Falls Flyer) is up 18.2%, and Route 1 (Waukesha-Brookfield) is up 8.4%. Route 218 (New Berlin Industrial Park) has seen a tremendous turnaround and ridership is up 151.2%. B. Johnson noted that Route 218's route was changed significantly about 18 months ago to improve performance. Also, Fed Ex hired and continues to hire many temporary workers who choose to ride the bus. Route 311 (Pewaukee) was eliminated in early June but even that route saw an increase over the previous year. All routes combined, there was a 18.4% increase in total rides, hours and miles are down slightly, operating costs are almost flat, operating revenues are up 23%, and the investment (subsidy) is down 5.5%. B. Johnson went on to highlight the routes' efficiency rankings as outlined in the handout including total rides/revenue hour, total rides/revenue mile, operating cost/total rides, operating cost/revenue hour, and investment/total rides.

A. Johnson went on to discuss expenses and revenues. He said the bad news is they are over budget. This is a result of budgeting for changes to Route 901, 904 and 905 that did not take

place for a variety of reasons which A. Johnson explained further. However, the revenues from those routes are way up and will more than cover the overage on the expense side. Discussing year-to-date operating revenue and assistance, A. Johnson said Waukesha County is under budget in terms of the local subsidy they provide. Waukesha County is paying 16.7% of the total service. The State, however, requires counties to provide 20% and they may need to make modifications to the formula if the situation doesn't correct itself. These modifications will not require additional money from the County. A. Johnson said they will keep a watchful eye on this. He noted this is a problem when you start receiving more revenues than anticipated – it's the price of success. To answer Haukohl's question, A. Johnson said it's unlikely the state will cut back on their transit grants to the County because of this.

A. Johnson said we don't know how much state and federal money we're getting this year. There is a dispute between the transit operators in the Milwaukee urbanized area as to how the federal funds should be divided. Milwaukee would like the formula changed so they can get more money even though their ridership is down. This would be at the expense of Waukesha County. Staff are continuing to defend our funds and any decisions with regards to fund distribution will be made on a higher level. At this point, they don't know what effect this will have on the budget, if any. A. Johnson said they are planning to start a new route this year which will operate from West Allis and National Avenue and Moorland Road to the Westridge Commercial area of Moorland Road and I-43. They believe this will be successful. However, they have delayed awarding the contract due to the uncertainty of the state and federal dollars.

Singert praised the work of A. Johnson and B. Johnson and said the flack they have received is unjustified.

Ordinance 161-O-023: Accept Edward Byrne Memorial Justice Assistance Program 2005 Grant Award And Modify Waukesha County Sheriff Department's 2006 Budget To Authorize Grant Expenditures

Marks said this ordinance will allow them to accept an \$11,281 grant which will be used to purchase items that are not already in the budget. Staff plan to purchase hand-held radios for the campus security positions. And if the campus security proposal does not occur, these radios will be used as spares for the patrol division.

MOTION: Singert moved, second by Kramer to approve ordinance 161-O-023. Motion carried 6-0.

Future Agenda Items

- Discuss National Association of Counties (NACo) Membership and Related Expenses (Singert)

MOTION: Kramer moved, second by Singert to adjourn at 11:39 a.m. Motion carried 6-0.

Respectfully submitted,

Approved on: _____

Bill Kramer
Secretary